

U.S. DEPARTMENT of ENERGY

CLEAN CITIES GAME PLAN 2000

Strategic Plan For The Clean Cities Program



U. S. Department of Energy



Office of Energy Efficiency and Renewable Energy
Office of Transportation Technologies
Office of Technology Utilization

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Clean Cities Game Plan 2000

Introduction

The U.S. Department of Energy's (DOE) Clean Cities program is a voluntary, locally-based government/industry partnership to mobilize local stakeholders in the effort to expand the use of alternatives to gasoline and diesel fuel by accelerating the deployment of alternative fuel vehicles (AFVs), and building a local AFV refueling infrastructure. The Clean Cities program coordinates the activities of both private and public sector proponents of AFVs by providing them with a forum to discover their commonalities, investigate opportunities for joint-projects, leverage scarce resources and cooperate on promoting the benefits of AFVs in their communities. The hallmark of Clean Cities is the local planning process that reflects a community's choice for alternative fuels and the ongoing commitment to that choice.

Over the last six years, nearly 80 communities have joined the national Clean Cities effort, enabling deployment of more than 160,000 AFVs currently operating in both public and private fleets, and helping to build over 4,800 alternative refueling stations. All told, these vehicles will reduce oil use by an estimated 125 million gallons per year. Furthermore, AFVs in Clean Cities have already reduced CO₂ emissions by an estimated 641,000 metric tons and by the end of 2001 these AFVs will have reduced carbon emissions by an additional 874,000 tons.

Moreover, the Clean Cities have been a magnet for Federal funding, attracting approximately \$180 million dollars of funding under the ISTEA/CMAQ program for innovative alternative fuel projects. Through the Clean Cities program, DOE has awarded more than \$13 million for AFV projects in 38 states. This money has helped coalitions leverage more than \$79 million in matching funds. Clean Cities coalitions have also been leaders in influencing local and state initiatives to further support development of the AFV marketplace. More than 30 states have enacted incentive laws for AFV purchases or infrastructure development.

As the program has matured and expanded, Clean Cities have become best described as local "market places" where people can get together to learn what's required; what's available; how to purchase a vehicle; and where to fuel it. In other words, all the transactions that need to take place for a market to develop. Therefore, in order for Clean Cities to continue fulfilling its objective to facilitate growth in the AFV market place, coalitions must be strong and vibrant organizations where: (1) people/stakeholders perceive action and added-value; (2) educated consumers are ready to make prudent purchases; and (3) customer agendas can be implemented, e.g. selling vehicles or fuel.

In order to achieve our objective to facilitate growth in the AFV marketplace, a "core" effort must be implemented to focus on advancing niche market fleets to choose AFVs and facilitating additional public accessible refueling stations, developing public acceptance for AFVs, supporting local coalitions, and increasing grants and incentives.

The result is the following three-part *Clean Cities Game Plan 2000*.

Clean Cities Game Plan 2000

The *Clean Cities Game Plan 2000* is a three-part strategy to increase the number of fleets choosing alternative fuels:

- (1) Advance the AFV Choice: Increase AFVs on the Road and Alternative Fuel Infrastructure
- (2) Create Greater Public Awareness and Acceptance of Alternative Fuels and of the Clean Cities Program; and
- (3) Develop Stronger, Self-sustaining Local Coalitions

- (1) **Advance the AFV Choice: Increase AFVs on the Road and Alternative Fuel Infrastructure.** The National Clean Cities program is currently comprised of nearly 80 local coalitions with the common objective to advance the use of alternative fuels and vehicles. These coalitions are for the most part local “market places” where people can get together to learn what’s required; what’s available; how to purchase an AFV; and where to fuel it. They have been successful in recruiting fuel suppliers, government organizations, advocacy groups, and increasingly, automakers and dealerships. But in order to achieve a greater number of AFVs on the road, it has become apparent that more emphasis must be placed on getting the attention of fleet operators, particularly private fleets in niche markets. Niche markets include fleets that are high-mileage, capable of being centrally fueled or fleets that are low mileage and are high-use vehicles. With many niche markets in communities across the country—taxis, delivery fleets, shuttle service and transit buses, airport ground fleets, school bus fleets and national park vehicles—market penetration for alternative fuels and vehicles can have a very big impact.

Since active participation from these fleets is critical to steady growth of the AFV market, the first objective in *Game Plan 2000* will focus on identifying and educating fleet operators, influencing their choice for using AFVs, and providing rebates to reduce incremental AFV costs—while leveraging currently-offered private sector incentives. The national program will also focus on building better relationships with other Federal agencies that can help coalitions advance the AFV choice. There are seven elements to this step in *Game Plan 2000*:

- A. Identify and recruit fleets and vehicle operators inclined toward using AFVs through the use of the *Preferred Fleets Database*
 - DOE has designed a computer-based, customer identification system for each designated Clean Cities coalition that draws upon a variety of databases to identify a select group of private fleet operators inclined toward using alternative fuels, i.e. a few good fleets. By targeting only those fleets for which it makes sense to use alternative fuels, such as transportation services, fleets with high-mileage applications, or businesses with environmental or health care interests, coalitions can zero in on those fleets in their communities with the greatest interest in purchasing an AFV. The system is based on the local yellow and white pages, so it will be current and specific to each particular area. Moreover, it will enable Clean Cities coordinators to

custom-design mailing lists and merge these lists with pre-written form letters.

- DOE will continue to make the Preferred Fleets Database available to all designated Clean Cities and will be encouraging coalitions to invite these fleets to *Advancing the AFV Choice* events in their communities (see below).

Results: 78 preferred fleet databases, with more than 11,500 fleets identified, have been completed and distributed.

B. Hold *Advancing the AFV Choice* Events

- In FY 2000, Clean Cities will host 75-100 *Advancing the AFV Choice* events specifically designed to help fleet operators to choose alternative fuels. The events will take the “one-stop” shopping approach. Fleet Managers will be invited to an event to learn exactly what’s available from the OEMs, how much they cost, which dealerships offer AFVs, how they can obtain vehicle purchase incentives; and where they can refuel. The events will focus on interaction between the fleet managers, OEMs, including heavy-duty manufacturers, and fuel providers. In this regard, DOE recommends that the program quickly transition to discussion breakouts or “booths” where fleet operators could work directly with OEMs. At this point the OEMs will be able to take over and do what they do best--sell vehicles. Fuel providers could also circulate between OEM booths providing information on fuel availability and incentives.
- As was the case in FY 1999, DOE Regional Offices have been given program budgets for 2000 to hold events in each of their cities. DOE strongly desires each Clean Cities coalition to host an event. Cities may host multiple events by matching DOE funds with local resources. DOE is currently coordinating this series of events with the sales divisions of automakers and fuel suppliers in order to leverage more events, outreach and potential for success. The schedule is also on the Clean Cities web site : www.ccities.doe.gov

Results: In FY 1999, more than 30 events were held, with more than 2,800 in attendance.

C. *Advancing the AFV Choice* through direct use of “point-of-sale” tools

- For use during the events, DOE’s Alternative Fuel Data Center has designed a set of products to facilitate the fleet manager’s decision to choose alternative fuels. These products include:
 - OEM product listings
 - OEM price and delivery schedules
 - OEM dealership locations and contacts
 - Purchase incentives and rebates available from fuel suppliers, local and

state governments, tax incentives, etc.
--Refueling site locator instructions
--Case studies on various niche market fleets

- In addition, most of these products have been consolidated into a computer-based, *Alternative Fuel Vehicle Fleet Buyer's Guide* to enable fleet managers to walk through the step-by-step series of decisions involved in making a new vehicle purchase. For starters, this guide can tell a fleet manager whether he or she is required by law to acquire AFVs. Next, the computer can outline all the vehicle options available in alternative fuels, listing specifications, range, price, and ordering window. All applicable purchase incentives available in the region can then automatically be subtracted from the purchase price to show the net cost to the fleet manager. Finally, the computer can print out the dealerships and refueling stations all within a convenient location. To access the tool, go to www.fleets.doe.gov. Changes in 2000 will include information on medium and heavy-duty vehicle products.

Results: During FY 1999, more than 243,988 hits, with 13,378 unique visitors, were made to this web site and customer satisfaction is high, including support from the automakers.

D. Provide AFV Rebates to help offset the incremental cost of acquiring an AFV

- Higher incremental cost is often cited as the number one deterrent to acquiring AFVs in fleets. Currently, rebates and incentives from various sources (states, fuel suppliers, OEMs, tax, etc) are available to reduce the cost to the AFV customer. Adding a *Clean Cities Rebate* will further reduce the net cost to the customer and stimulate AFV purchases. DOE has allocated \$800,000 for AFV Rebates in FY 2000.
- Each Clean Cities coalition will receive a budget for the AFV rebates. Funds will be allocated to meritorious Clean Cities in increments of \$10,000 for buying-down the incremental cost of dedicated, OEM vehicles.

Results: In FY 1999, \$969,000 was awarded to 27 Clean Cities coalitions to buy-down the cost of approximately 530 AFVs.

Other Advancing the AFV Choice Activities include:

E. Continue to support AFV projects through Grant Programs.

The State Energy Program. In FY 2000, \$2.7 million will be available for the State Energy Program's Special Projects for Alternative Fuels. DOE is seeking funding in five categories: niche market development, infrastructure, alternative

fuel school buses, fuel cell technologies, and clean cities coordinators.

Results: Since SEP's inception in 1996, the Clean Cities program has awarded \$10.9 million to AFV projects in 36 states and to 60 Clean Cities. DOE dollars have leveraged more than \$48 million in private monies.

Propane Vehicle Demonstration Grant Program. For the very first time, in 1999 the propane industry matched the Clean Cities Program's contribution to provide a total of \$500,000 for propane vehicle projects to Clean Cities coalitions.

F. Partner with other Federal Agencies to access funding for Local Clean Cities Projects

General Service Administration (GSA): In a proactive step to address the issue of low alternative fuel use in federal fleets, and interagency task force, led by DOE and GSA, has developed the Federal AFV USER Program. The pilot program's goal is to support the expansion of the alternative fuel infrastructure by concentrating large quantities of Federal AFVs—and substantially increasing their use of alternative fuel—in six selected cities. These cities include:

Albuquerque, NM

Denver, CO

San Francisco Bay Area

Salt Lake City, UT

Minneapolis/St. Paul

Florida Space Coast (Melbourne/Titusville/Kennedy Space Center).

All AFVs purchased through the program are required to operate on alternative fuel.

The Federal government's contribution will be to provide financial assistance with GSA contributing \$4.0 million in FY 2000--\$670,000 for each selected area—to help federal fleets cover some of the incremental costs associated with new AFV purchases.

Results: All six cities have held kick-off ceremonies to announce the program. Local AFV USER Program leaders and partners are working with area fleets to purchase vehicles and with fuel providers to develop strategically located refueling stations.

U.S. Department of Interior: On April 27, 1999, the U.S. DOE and the U.S. Department of Interior signed a Memorandum of Understanding to launch the Green Parks Initiative. In addition to improving the energy efficiency of park facilities, this effort will create partnerships that provide environmental benefits to national parks and assist DOE and the National Park Service in educating the public about the use and availability of alternative fuels. A primary goal is to integrate AFVs into the National Park Service's fleet as an important component

in this partnership to preserve our nation's natural resources. It is anticipated that \$250,000 will be awarded for alternative fuel vehicle projects in the nation's parks in 2000.

Results: In FY 99, 32 National Parks received \$460,000 for alternative fuel projects, including infrastructure and vehicles of all fuel types.

U.S. Environmental Protection Agency (EPA): The Clean Cities program is actively working with newly formed Alternative Fuels Team at EPA Headquarters and at the Ann Arbor Emissions Laboratory to build greater support for AFV projects. Joint programs include: the development of a user-friendly, computer-based tool for estimating the ozone precursor emission reduction credits earned by acquiring OEM AFVs; sponsorship of Voluntary Mobile Emission Source Reduction Program (VMEP) Workshops, which will help coalitions get emission credits for AFVs; Plain English Handbook of various EPA regulations impacting vehicle emissions; listing of all applicable EPA programs that fund air quality initiatives; and sponsorship of an infrastructure workshop at the 2000 National Clean Cities Conference.

Results: The VMEP tool is being tested by 25 users and the final version is expected by the end of the 1st quarter of 2000. At the conclusion of the 1999 Clean Cities Conference, EPA sponsored its first workshop with Clean Cities stakeholders.

G. Increase the number of open-access/public alternative fuel stations.
Goals for 2000 include:

- Coordinate the development of a Universal Card Access system that has a simplified billing capability which will allow AFV users to purchase fuel at multiple sites across the country using a common method of payment.
- Establish fully functional alternative fuel infrastructure and activity corridors.
- Provide fuel availability and trip routing information for AFV users on the Clean Cities web site (including acceptable payment methods and local contact information for AFV support services).

(2) **Create Greater Public Awareness and Acceptance of Alternative Fuels and of the Clean Cities Program.** An important aspect of *Advancing the AFV Choice* is to complement our target fleet marketing efforts with a message campaign. It is critical to establish an understanding in each community that people are best-served by making responsible energy choices, particularly when choosing fuels for the millions of vehicles on American roads--and that AFVs are the right choice. Fleet operators, working and making decisions in a community which values responsible energy use and alternative fuels, will be more inclined to attend Clean Cities events, consider alternative fuels, and choose AFVs.

Our plan for accomplishing this objective has two parts:

- A. An outreach program designed to write and place case studies, success stories and industry testimonials in local, national and industry-specific publications. This strategy is intended to build an understanding of the benefits of AFVs and re-enforce community acceptance for a fleet manager considering alternative fuels.
- B. A public information strategy is being designed to demonstrate the value of making responsible energy choices when considering vehicle fuel choices. A Public Service Announcement (PSA) is under development and will be distributed at the 2000 National Clean Cities Conference. Training in marketing the PSA will be offered to coalitions at the National Conference.

Results: In FY 99, the Clean Cities program received recognition in a full-page advertorial in USA Today. Case studies were developed for 10 award-winning coalitions and media kits disseminated to get publicity for the national partner awards and award winning coalitions. Case studies were also developed for various niche markets, including SuperShuttle, state fleets using ethanol vehicles and bi-fuel propane pickups; taxicabs and the United Parcel Service fleet. Some trade publications did use the case studies as stories. Factsheets evaluating the performance and acceptability of light-duty vehicles were developed and include the Honda Civic, Dodge Caravan, GMC Sierra and Ford Taurus. Clean Cities decals, denoting a specific fuel-type, were also developed and distributed to all Clean Cities coalitions for placement on AFVs.

- (3) **Strengthen Local Clean Cities Organizations.** The Clean Cities program is only as strong as the coalitions that comprise it, and coalitions with initiative and organized plans are the most effective. By providing coalitions with training materials and workshops, they can be more effective in promoting alternative fuels in their community. Moreover, these training materials will enable DOE Regional Offices to better assist coalitions with work plans, meeting agendas and community projects. The training and materials available through *Game Plan 2000* will include:

- A. Vehicle acquisition, infrastructure development and organizational operations. These projects will focus on educating and training coalitions on techniques for improved organizational financing, such as seeking funding from foundations and corporations; incorporating as a nonprofit; grant writing; and applying for and participating in CMAQ programs. Grant writing training will be offered by each DOE Regional Office in FY 2000. In addition, a national CMAQ database is being developed by the Environmental and Energy Study Institute that will track CMAQ awards for alternative fuel vehicle projects. Accessing CMAQ will also be a topic of discussion at the VMEP workshops. (see page 6).
- B. Public information programs. Getting the word out is critical to local success. As

coalitions improve their ability to work with local media (television, newspaper, radio, university), they can better showcase local alternative fuel achievements. This training will also assist coalitions to develop strategic marketing and message strategies. This training will be offered at the 2000 National Clean Cities Conference.

- C. Strategic market development. We will continue our work in assisting local coalitions with establishing strategic market development plans, which match available resources (people, participating company affiliations, vehicles, refueling stations, local laws and incentives) with local market opportunities (corridors, airports, etc.) in order to form action plans resulting in new AFV markets. A new firm will be selected in the 2000 Broad Based Solicitation.
- D. Niche Market Development. Through several grants awarded in the 1999 Broad Based Solicitation, training and materials will be developed for niche markets and will be used to reach out to school bus administrators; airport facilities managers and fleets servicing airports; and taxi fleets that may be interested in participating in a resale AFV program.
- E. AFV Curriculum for Students. The Northeast Sustainable Energy Association (NESEA) will develop for the Clean Cities Program an education curriculum called *Alternative Fueled Vehicles and the American Community: A High School Curriculum*. NESEA will pilot test the curriculum in six communities and mass-produce the final version for other schools systems to adopt. Teaching middle school and high school educators to use the curriculum are also part of the services to be offered by NESEA.
- F. Adoption of market-based incentives. The National Conference of State Legislators (NCSL) will be providing Clean Cities with an analysis of incentives that are the most effective in getting AFVs purchased. Other reports to be considered are evaluating state fuel-excise tax policies. Also, NCSL will provide training to their members to explain energy policies in the transportation sector and alternative fuel technologies.